

This question has been discussed with the Minister of Finance, who feels that it involves sufficiently important implications, particularly in respect of general principles of dealing with ex-enemy countries, to justify reference to the War Committee. I believe Mr. Bryce has already communicated this view to Mr. English, of the Department of Trade and Commerce, who raised the question recently in connection with a meeting being held in Washington to discuss the programming of civilian supplies for Italy.

I would suggest that either the Department of Trade and Commerce or the Department of External Affairs should prepare a recommendation on this matter, which would be communicated to this Department and placed before the War Committee of Cabinet at an early convenient date.²¹¹ Our view here is that funds should only be furnished to Italy to procure in Canada supplies the furnishing of which can be justified on important social and military grounds, or in order to build up a post-war trade of importance to Canada. Supplies in general are sufficiently short and there are sufficient strains upon our manpower and financing, that we should not seek to facilitate trade now which cannot be justified for either of the reasons indicated above. I do not think we should facilitate trade the only justification for which is that it is in the immediate interests of certain Canadian exporters.

Yours very truly,

W. C. CLARK

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DEA/6520-40

*Le troisième secrétaire, l'ambassade aux États-Unis, à l'adjoint
spécial en temps de guerre du sous-secrétaire d'État
aux Affaires extérieures*

*Third Secretary, Embassy in United States, to Special Wartime
Assistant to Under-Secretary of State for External Affairs*

Washington, March 24, 1945

Dear Mr. Angus,

With reference to our earlier correspondence[†] concerning possible arrangements for enabling the Italian Government to finance procurement of supplies in Canada, I am now enclosing three copies of a memorandum prepared in the Italian Division of F.E.A.[†] and submitted to CLAC(S) earlier this week. This memorandum outlines the facilities available and the procedures which have been adopted for procurement in the U.S., U.K. and Canada of civilian supplies for Italy. The memorandum distinguishes between Category 'A' supplies for which the military are responsible and category 'B' supplies required for the rehabilitation of Italian industries and for essential civilian supply beyond the military responsibility. In the provision of Category

²¹¹ Aucune recommandation de ce genre ne fut trouvée.
No such recommendation was located.